

**Meeting between Federal Reserve Staff and
Representatives of CHIPS
June 15, 2011**

Participants: Jeff Stehm, Stu Desch, Edward Kocis, Danielle Little, Mark Magro, Scott Abrahams, and Mark Haley (Federal Reserve Board); Jim Mahoney, Stephanie Heller, Sean Sullivan, Ari Cohen, Brian Marchellos, Joe Sommer, Annmarie Rowe-Straker (Federal Reserve Bank of New York); Katie Wisby, Anna Voytovich, and Ralph Schnackel (Federal Reserve Bank of Chicago)

Russ Waterhouse, Joe Alexander, Al Wood, Bob Pepitone, Ray Mulhern, and Chris Jackson (CHIPS)

Summary: At the request of Board staff, representatives from CHIPS met with Board and Reserve Bank staff at the Federal Reserve Bank of New York to discuss CHIPS's settlement practices and banking arrangements. Board staff requested the meeting to help inform the Board as it considers authority provided in Section 806 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, regarding designated financial market utilities' potential access to Federal Reserve Bank ("FRB") accounts, services, and discount and borrowing privileges.

The discussion followed a question and answer format, primarily covering CHIPS's settlement practices and supporting banking arrangements. Meeting participants acknowledged that further discussions on technical, operational, and legal issues associated with access to FRB accounts, services, and discount and borrowing privileges may be necessary going forward.

